

Income Tax Act

operation of the hospital insurance plan, which our party had a lot to do with in terms of bringing it about, is receiving the discouraging attention which the minister by this particular clause in the bill accords.

Mr. Speaker: I think the point the minister made was that the amendment which the committee of the whole was to consider ought to be specified.

Mr. Fleming (Eglinton): Yes, Mr. Speaker. The amendment that may be made must be an amendment that could be made in committee. That is the purpose of reference back. There is no amendment to the bill proposed in the amendment now introduced. It simply proposes that the bill be referred back to the committee of the whole for the purpose of reconsidering clause 8. It proposes no amendment to clause 8 at all.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I would refer the house to *Hansard* of April 10, 1957, at page 3381, when a similar amendment to another bill was moved in these words:

That Bill 320 be not now read the third time, but that the said bill be referred back to the committee of the whole for the purpose of reconsidering clause 2(e) thereof.

That was the amendment that was considered, debated and allowed by the house. This had to do with the definition of the word "hospital" in the Hospital Insurance and Diagnostic Services Act. I might say that the amendment was moved by one of the outstanding authorities on parliamentary procedure in the house, the hon. member for Eglinton, the present Minister of Finance. I believe the hon. gentleman was very much in order at that time, and I might add that in bringing this amendment before the house today we were very careful to follow the appropriate precedents.

Mr. Speaker: I have some doubts about the amendment on the very grounds the minister raised, because the committee of the whole house has dealt with this bill and has no authority to deal with it again unless the house directs it to do so. This amendment does direct it to deal with it again but gives the committee no specific power. It just asks the committee to reconsider clause 8. However, in the face of the precedent cited I think I should accept the amendment, though I want to indicate that I do have some misgivings about it.

Mr. Argue: I should like to say a few words on the subject itself. We feel that this provision discriminates very greatly against the person who is unfortunate enough to be confined to hospital. If we had in Canada a complete system of health insurance that

covered all medical expenses, then I could see some substantial argument on behalf of the minister's change in this bill. But even if that were the case, when a breadwinner was confined to hospital he would sustain a substantial loss of income. In other words this kind of tax exemption in such circumstances would have some considerable merit.

Even in provinces that have the hospital insurance act in operation it means in ordinary circumstances that when a person goes to hospital, while the major portion of the hospital account is paid under the act there are special costs which would not be met. Very often a person must obtain a semi-private or private room and is required to pay additional costs. The other important factor is that medical expenses are not covered. I know from personal experience that when one is confronted with heavy medical and hospital costs there are substantial amounts outside the act that must be paid by the individual even in a province where the hospital insurance act is in effect.

Mr. Fleming (Eglinton): This does not preclude a claim being made for those medical expenses.

Mr. Argue: I appreciate that. What the minister's change means is that when an individual who has had heavy medical and hospital expenses files his income tax return he will receive either a smaller rebate or none at all because of the reduced exemption. For people who have medical expenses totalling hundreds of dollars it is of some assistance to have their burden of income tax somewhat reduced, as has been the case in the past; but we feel that this move is an attempt by the government to bring its budget into better balance by increasing the taxes in this way, against the people who are unfortunate enough to have to incur very substantial medical expenses.

We think the provision in the act is wrong and will create hardship for the people who now have to pay heavy medical expenses. In view of this government's repeated promises to reduce taxes it is completely baffling to us that the government should move to increase its revenue by this means, thus working a hardship on people who are unfortunate enough to be confined to hospital and who have to pay out of their own pockets heavy medical expenses.

For that reason we are pleased to have been able to move this amendment, which we feel should commend itself to hon. members of the house.

Mr. Fleming (Eglinton): Mr. Speaker, this amendment and the reasons advanced for it by members of the C.C.F. who have spoken